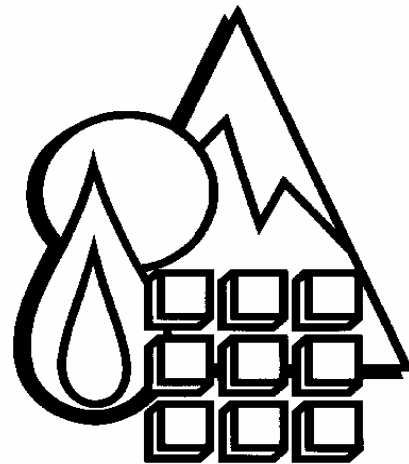


**IDAHO
PUBLIC
UTILITIES
COMMISSION**



STRATEGIC PLAN

Revised July 1, 2006

To determine fair, just and reasonable rates for utility commodities and services delivered safely, reliably, and efficiently, and ensure safe operation of pipelines and rail carriers within the state.

INTRODUCTION

The Idaho Public Utilities Commission was established by the 12th session of the Idaho Legislature and was organized on May 8, 1913. The Commission's statutory authorities are set out in Idaho Code, Titles 61 and 62.

The Commission oversees the intrastate operation of investor-owned electric, gas, water, and telecommunications utilities. The Commission does not regulate publicly owned, municipal, or cooperative utilities.

For much of the last 90 years, public utility regulation has been based on the theory of a regulatory compact between utilities and regulators under which, in return for an exclusive franchise granted by regulators, utilities agreed to serve all those requesting service; and in return for agreeing to invest capital in plant and facilities, utilities were given a reasonable opportunity to earn a fair return on that capital. Changes in law and technology are dramatically affecting the industries we regulate, opening the door to more competitors and enabling the establishment of more competitive markets.

The Commission also oversees rail and pipeline safety programs.

MISSION STATEMENT

The Idaho Public Utilities Commission serves the citizens and utilities of Idaho by determining fair, just and reasonable rates for utility commodities and services to be delivered safely, reliably, and efficiently, and by ensuring safe operation of pipelines and rail carriers within the state.

STRATEGIC PLAN

VISION: The Commission will initiate policies that stimulate excellence in the provision of utility services. These policies will reflect public input, changes in law, technology and market environments. The Commission envisions itself as a proactive, positive leader in the development of state public utility policy.

ADMINISTRATION DIVISION

Program Goal:

The Administration Division is responsible for managing and coordinating the overall activities of the Idaho Public Utilities Commission (IPUC) efficiently and effectively. The Administration Division manages all information received, handled, or published by the IPUC; it informs the public of its actions and decisions; it maintains a website with an electronic database of commission cases and other information; it provides fiscal, personnel, information technology, and administrative support services to the Commission as a whole; and it supports the Legislative and Executive branches with analysis and information on utility, pipeline and railroad matters.

Program Objective 1 - Manage and coordinate the overall activities of the Idaho Public Utilities Commission efficiently and effectively as well as facilitate the efficient management of cases being considered by the Commission.

Performance Measures:

Number of cases filed and closed.

Performance Targets:

To close 65% of all cases filed within 12 months of filing.

External Factors

The commission has no control over the number of cases filed. While it makes every effort to close all cases in a timely manner, the judicial process requires adequate time for public comment, discovery, investigation, and deliberation.

UTILITIES DIVISION

Program Goal: Ensure that the citizens of Idaho are charged just and reasonable rates for utility commodities and non-discriminatory services that are delivered safely, reliably and efficiently by using audits, investigations and statistical comparisons.

Program Objective 1 – Perform audits of utilities for compliance with commission orders and regulations.

Performance Measures:

Number of comprehensive audits completed annually.

Number of utility annual reports reviewed annually.

Performance Target:

Conduct seven comprehensive audits of utilities per year.

Conduct twenty annual report reviews of utilities per year.

External Factors:

The commission has no control over the number of rate cases filed in a fiscal year. Funding for resources limits the number of audits. The availability of qualified auditors, engineers and economists to fill personnel vacancies impacts operations. Reviews may produce results requiring increased time and resources to resolve.

Program Objective 2 – Investigate and resolve complaints and respond to inquiries from consumers regarding regulated utilities.

Performance Measures:

Number of formal complaints received by commission.

Number of informal complaints resolved.

Number of inquiries received by commission.

Average number of days needed to respond to inquiries and resolve informal complaints.

Performance Target:

Respond to inquiries and resolve informal complaints within an average of ten business days.

External Factors:

The commission has no control over the number of inquiries or complaints received in a fiscal year. Funding for resources limits the number of investigators to handle inquiries and complaints.

PIPELINE SAFETY SECTION

Program Goal - Serve the citizens of Idaho by ensuring that all jurisdictional gas system operators operate safely through compliance with Federal and State Safety Regulations.

Program Objective 1 – Conduct on-site visits of gas system operators’ facilities and conduct audits and inspections to insure compliance with state and federal pipeline safety regulations.

Performance Measures:

Number of on site visits to gas system operators’ facilities.

Number of inspection days completed.

Performance Targets:

Twelve on-site visits planned per year.

Eighty-five inspection days conducted per year.

External Factors:

Availability of funds, weather, operator schedules, etc.

RAIL SECTION

Program Goal - Serve the citizens of Idaho by ensuring that carriers comply with State and Federal safety regulations regarding crossings, clearances, and hazardous materials. The Commission will also determine whether or not it is in the public interest to represent the State in various rail line abandonment cases before the Surface Transportation Board.

Program Objective 1- Inspect rail crossings and clearances for compliance with rules and regulations based on complaints, accident investigations, and scheduled inspections.

Performance Measures:

Number of rail crossings and clearances inspected based on complaints, accidents and scheduled inspections.

Number of crossing maintenance deficiencies corrected.

Performance Targets:

Inspect 100 rail crossings and clearances per year.

Investigate all rail crossing maintenance complaints within 30 days.

External Factors:

Number of complaints, number of accidents, availability of funds, weather, operator schedules, etc.

Program Objective 2 - Ensure the safe transportation of hazardous materials shipped by rail by monitoring compliance with state and federal regulations by carriers and shippers; make educational contacts to assist railroads and shippers in understanding hazardous materials regulations; inspect railroad equipment and hazardous materials packaging to ensure compliance with state and federal requirements; process any deficiencies or violations found.

Performance Measures:

Number of rail HAZMAT inspections.

Performance Targets:

Conduct 125 HAZMAT inspections per year.

Conduct 12 educational visits per year.

External Factors:

Availability of funds, weather, operator schedules, etc.

Program Objective 3 - If investigation and public hearing provide justification, represent the State of Idaho in rail line abandonments before the Surface Transportation Board and, if necessary, the appeals court.

Performance Measures:

Number of abandonments investigated.

Performance Targets:

Investigate 100% of proposed abandonments.

Participate in all cases before the Surface Transportation Board when it is found to be in the public's interest.

External Factors:

Availability of funds, number of filings from railroads, and number of complaints received by commission.